

TECHNOLOGY, TRADE, AND COMMERCE

The Technology, Trade, and Commerce Agency (TTCA) promotes business development, job creation, and job retention to help California maintain a strong, globally competitive economy. The 2003-04 Governor's Budget proposes \$111 million and 130 personnel years for the Agency. The 2002 Budget Act provides about \$26 million (36 percent) less General Fund support than the Agency expended in 2001-02. Along with one-time reductions and return of funds/transfers to the General Fund of \$11.4 million, the December 2002 Mid-Year Spending Reduction Proposals included additional ongoing program reductions and eliminations of \$2.1 million. As a result of both the 2002 Budget Act and December proposals, the Agency has reorganized to maintain operational integrity within the reduced funding levels for the following programs: California Infrastructure and Business Finance; Economic Development; Boards and Commissions; Global Economic Development; Contracts, Grants, and Loans; and Economic Research and Strategic Initiatives.

The TTCA budget includes:

- ◆ \$6.5 million reduction resulting in the elimination of State funding for the California Technology Investment Partnership (CalTIP) Program, the Manufacturing Technology Program (MTP), the Space Technology Alliance program, and for staff that support these programs in the Agency.
- ◆ \$8.1 million reduction in support of economic development programs of the Office of Military Base Reuse and Retention, Business Development, Local Development, Small Business, Small Business Development Centers, and the Film California First Program of the California Film Commission. The Film California First Program activity for 2003-04 will not be significantly affected by this reduction because the proposed funding level is consistent with program expenditures to date.
- ◆ \$3.4 million decrease in funds supporting the foreign trade and investment programs of Export Finance, Export Development, Foreign Investment, and closure of the contracted Foreign Trade



offices (located in South Korea, Shanghai, Singapore, Argentina, and Israel). The Budget continues to fund trade offices in Germany, Hong Kong, Japan, Mexico, Taiwan, South Africa, and the United Kingdom.

- ◆ \$7.5 million General Fund savings, resulting from the elimination of the Agency's Tourism Division. The Tourism Commission will continue to provide opportunities for coordination of marketing of the state as a vacation and entertainment destination.
- ◆ \$1.0 million reduction to support the consolidated Contracts, Grants, and Loans office of the Agency.
- ◆ \$562,000 reduction to strategic planning and economic research activities.
- ◆ \$200,000 savings resulting in the elimination of the Agency's Marketing and Communications Program.
- ◆ A reduction of 146 personnel years to conform to these program funding reductions.

variety of critical public infrastructure projects. In 2002-03 and 2003-04 combined, the Bank expects to leverage the ISRF Program through the issuance of revenue bonds totaling approximately \$150 million. This will greatly expand the lending capacity of the ISRF Program beyond its original appropriation, which has been committed. Through its Conduit Revenue Bond Financing Program, the Bank issues industrial development revenue bonds for small to mid-size manufacturing companies, 501(c)(3) bonds for nonprofit public benefit corporations, and revenue bonds for government.

California Infrastructure and Economic Development Bank

Since January 1999, the California Infrastructure and Economic Development Bank (Bank) has provided over \$2 billion of financing through two different programs to promote economic growth, quality of life, and revitalization of California communities. Through its Infrastructure State Revolving Fund (ISRF) Program, the Bank provides low-cost loans to local agencies for a wide

